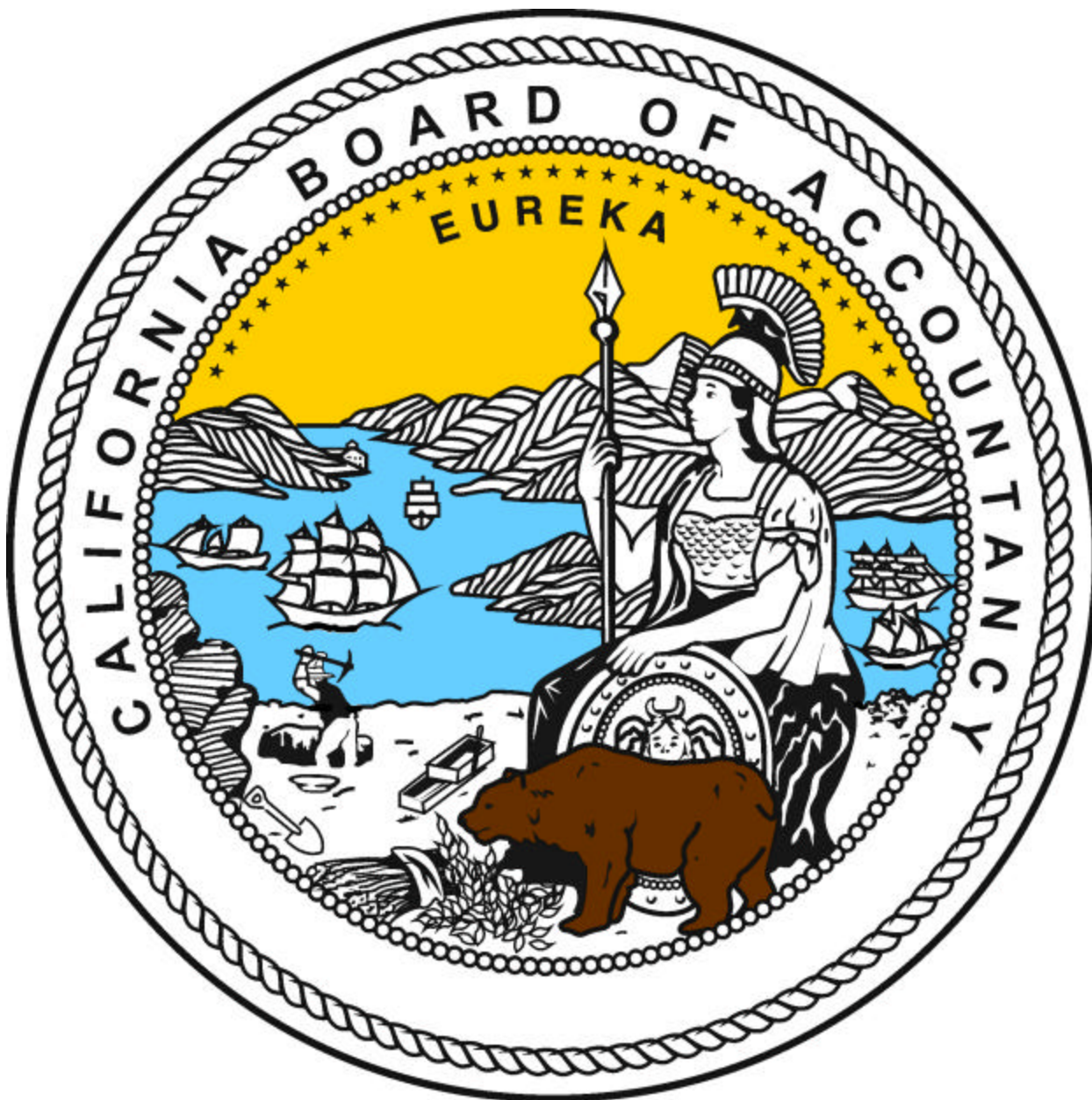


# **INFORMATION HANDBOOK** for the **CERTIFIED PUBLIC ACCOUNTANT APPLICANT**



**CALIFORNIA BOARD OF ACCOUNTANCY**

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## TABLE OF CONTENTS

CALIFORNIA BOARD OF ACCOUNTANCY -----	3
Mission -----	3
Overview -----	3
Authority -----	3
LICENSE APPLICATION PROCESS -----	4
Types of Applications -----	4
HOW CAN I OBTAIN AN APPLICATION FOR LICENSURE? -----	5
IS A UNITED STATES SOCIAL SECURITY NUMBER REQUIRED? -----	5
IS AN ETHICS EXAMINATION REQUIRED? -----	5
WHICH ETHICS EXAMINATION IS ACCEPTABLE FOR INITIAL LICENSURE? -----	5
IS A CRIMINAL CONVICTION DISCLOSURE FORM REQUIRED? -----	6
IS FINGERPRINTING REQUIRED FOR LICENSURE? -----	6
Live Scan -----	7
Fingerprint Cards -----	7
DO I NEED TO SUBMIT TRANSCRIPTS? -----	7
HOW MUCH DOES IT COST TO APPLY FOR THE LICENSE? -----	8
WHAT IF MY CHECK DOES NOT CLEAR THE BANK? -----	8
DO I NEED TO NOTIFY THE BOARD OF AN ADDRESS OR NAME CHANGE? -----	9
HOW DO I KNOW THE STATUS OF MY APPLICATION? -----	9
HOW LONG DOES THE APPLICATION REVIEW PROCESS TAKE? -----	10
WHEN IS MY APPLICATION CONSIDERED ABANDONED AND MY FEE FORFEITED? -	10
WHAT IS REQUIRED AFTER MY LICENSE IS APPROVED? -----	10
WHEN WILL I RECEIVE THE WALL CERTIFICATE? -----	10
COMPARISON OF PATHWAY REQUIREMENTS -----	11
CPA LICENSING REQUIREMENTS -----	12
<u>PATHWAY 1 – SECTION 5092</u>	
Pathway 1 Recognized Schools – United States -----	12
U.S. Regional Institutional Accrediting Agencies -----	12
National Accrediting Agencies -----	12
Pathway 1 Foreign Education -----	12
Pathway 1 Educational Requirements -----	12
Pathway 1 Core Course Requirement -----	13
Accounting Subjects -----	13
Business-related Subjects -----	13
Pathway 1 Experience Requirements -----	13
Pathway 1 Important Notes -----	14
<u>PATHWAY 2 – SECTION 5093</u>	
Pathway 2 Recognized Schools – United States -----	15
U.S. Regional Institutional Accrediting Agencies -----	15
National Accrediting Agencies -----	15
Pathway 2 Foreign Education -----	15

Pathway 2 Educational Requirements -----	15
Pathway 2 Core Course Requirement -----	16
Accounting Subjects -----	16
Business-related Subjects -----	16
Pathway 2 Experience Requirements -----	17
Pathway 2 Important Notes -----	18
CPA LICENSING OPTIONS – PATHWAY 0 -----	19
<u>PATHWAY 0 – SECTION 5083</u>	
Pathway 0 Recognized Schools – United States -----	20
U.S. Regional Institutional Accrediting Agencies -----	20
National Accrediting Agencies -----	20
Pathway 0 Educational Requirements -----	20
Pathway 0 Experience Requirements -----	21
Pathway 0 Important Notes -----	22
BOARD-APPROVED FOREIGN CREDENTIALS EVALUATION SERVICES -----	23
GENERAL EXPERIENCE -----	24
Scope -----	24
Obtaining General Accounting Experience -----	24
Supervising General Accounting Experience -----	25
ATTEST EXPERIENCE -----	25
Scope -----	26
Certificate of Attest Experience -----	27
Signer(s) of the Certificate of Attest Experience -----	27
Satisfying the Attest Experience Requirement -----	28
What to do if your California employer will not Complete a Certificate of Experience -----	28
Appearance before the CPA Qualifications Committee -----	29
Certification of Applicant's Experience – Section 69 -----	30
ISSUANCE OF A NEW CPA LICENSE AFTER CANCELLATION (RE-ISSUANCE) ----	30
Important Notes -----	31
TYPE B APPLICANTS - TRANSFER OF EXAMINATION GRADES AND/OR LICENSE STATUS -----	31
TYPE C APPLICANTS – APPLICANTS LICENSED AS A CPA IN ANOTHER STATE -	31
Interim Practice Rights for Applicants with Out-of-State Licenses -----	32
Out-of-state Licensee – Section 21 -----	33
Important Notes -----	33
TRANSFER OF EXAMINATION GRADES AND/OR LICENSE STATUS FROM CALIFORNIA TO ANOTHER STATE -----	33
FORMS -----	34
TELEPHONE NUMBERS - CONTACT INFORMATION -----	35

# **CALIFORNIA BOARD OF ACCOUNTANCY**

This booklet contains general licensing information and application processes for applicants applying for the Certified Public Accountant (CPA) license.

## **Mission**

The mission of the California Board of Accountancy is to protect the public welfare, particularly consumers, by ensuring that only qualified persons and firms are licensed to practice public accountancy and that appropriate standards of competency and practice, including ethics, objectivity and independence are established and enforced.

## **Overview**

This Board, as part of the Department of Consumer Affairs, is responsible for examining and licensing CPAs and for enforcing the state laws regulating the practice of public accountancy. The Board is a state government agency and is not part of the American Institute of Certified Public Accountants (AICPA) or any other professional society.

The examination and licensure programs ensure entry-level competence.

## **Authority**

The Board derives its authority from the Business and Professions Code, Division 3, Chapter 1, Article 1 through 10 (California Accountancy Act) and the California Code of Regulations, Title 16, Division 1, Article 1 through 13 (Accountancy Regulations). A copy of the California Accountancy Act and Accountancy Regulations is available on the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

## HOW TO OBTAIN A LICENSE

This publication contains information regarding the requirements for licensure as a California Certified Public Accountant (CPA). Please thoroughly read this publication **before** submitting your application for licensure or contacting the Board's staff with general questions.

**Types of Applications** - It is important that you request the correct application packet, as the Board's application packets are assembled with the information and required forms applicable to the following types of licensure applicants:

- |        |   |
|--------|---|
| Type A | An applicant who <b>passed the Uniform CPA Exam in California</b> and is <u>applying for licensure as a CPA in California for the first time.</u>   |
| Type B | An applicant who <b>passed the Uniform CPA Exam in a state other than California</b> , <u>has not been issued a valid license to practice public accounting in any state and is applying for licensure as a CPA in California for the first time.</u>   |
| Type C | An applicant who <b>passed the Uniform CPA Exam in a state other than California</b> and <u>was issued a license to practice public accounting in a state other than California.</u>  |
| Type D | An applicant who <b>was previously licensed as a CPA in California</b> and the <u>certificate was cancelled after five years for non-payment of license renewal fees.</u>   |
| Type E | An applicant who <b>passed the</b> Canadian Chartered Accountant Uniform Certified Public Accountant Qualification Examination ( <b>CAQEX</b> ) of the American Institute of Certified Public Accountants (AICPA) <b>or</b> the International Uniform Certified Public Accountant Qualification Examination ( <b>IQEX</b> ) of the AICPA and the National Association of State Boards of Accountancy (NASBA). |
| Type F | A California licensee originally issued a license to perform general accounting services who has now completed attest experience.   |

Each application packet includes a checklist to assist you with filing a *complete* application. The checklist is posted on the Board's Web site. **Your application for licensure as a CPA in California cannot be processed until all required documentation is received.**

## HOW CAN I OBTAIN AN APPLICATION FOR LICENSURE?

There are three ways in which an application for licensure can be obtained:

1. Download the application and accompanying forms from the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).
2. From the Board's Web site, download and complete the *Request for Licensing Application Packet as a Certified Public Accountant in California* and mail it to the Board.
3. Contact the Board at (916) 561-1701 to request an application packet.

## IS A UNITED STATES SOCIAL SECURITY NUMBER REQUIRED?

Yes. Prior to issuance of a California CPA license, all applicants **must** provide a **United States Social Security Number (SSN)**. Section 30 of California Business and Professions Code prohibits the issuance or renewal of a license by a licensing board if the applicant fails to disclose or is unable to provide a **United States SSN**. California law does not provide any exception to the SSN requirement for foreign applicants. Further, California law does not permit the Board to make any exceptions to the SSN requirement.

Should the Board determine that the applicant has met all licensing requirements except for the **United States SSN**, the Board will send written notification that the applicant has one year in which to provide a **United States SSN**. If no **United States SSN** is provided within that period, the application will be deemed abandoned pursuant to Section 71 of the Accountancy Regulations, and the application fee will be forfeited. To reapply for licensure, a new *Application for Certified Public Accountant License* and the application fee must be submitted. In addition, all requirements in effect at the time of reapplication must be met.

## IS AN ETHICS EXAMINATION REQUIRED?

Yes. However, it is not necessary to take the ethics examination until you are prepared to apply for the CPA license. Section 10 of the Accountancy Regulations requires that the ethics examination be passed no sooner than two years prior to the Board's consideration of the application for licensure.

## WHICH ETHICS EXAMINATION IS ACCEPTABLE FOR INITIAL LICENSURE?

The **only** ethics examination accepted by the Board is the California course in Professional Ethics for CPAs (**PETH**) available from the California CPA Education Foundation, P.O. Box 44364, San Francisco, California 94144, (800) 877-5897. You may also fax the California CPA Education Foundation at (650) 802-6214.

An order form, to be mailed directly to the California CPA Education Foundation, is enclosed in the licensure application package mailed from the Board. Applicants obtaining the licensure application from the Board's Web site should contact the California CPA Education Foundation directly at (800) 877-5897.

The examination is a self-study course and **must be returned to the California CPA Education Foundation for grading**. Each applicant must indicate on the ethics exam answer sheet that the California Board of Accountancy is to be notified of the passing grade.

Key Topics include:

- Ethics in business.
- Basic concepts and philosophy of professional conduct.
- Code of Professional Conduct.
- Independence, integrity and objectivity.
- Interpretations and Securities and Exchange Commission rules.
- Commissions and fees.
- Form of practice and name.
- Advertising and solicitation.
- Sanctions.
- Tax Services.
- California Accountancy Act and Board of Accountancy Regulations.

## **IS A CRIMINAL CONVICTION DISCLOSURE FORM REQUIRED?**

Yes. All applicants are required to complete a *Criminal Conviction Disclosure Form*. A conviction includes the initial plea, verdict, or finding of guilt, plea of no contest, or pronouncement of sentence by a trial court, even if that conviction may not be final or sentence actually imposed, until appeals are exhausted. You must include any conviction that arose from military service; any in which the imposition of execution of sentence was suspended, any which arose as a result of a failure to appear; an order of rehabilitation was entered; any record of conviction which was expunged, or a pardon was granted. **Only minor traffic infractions may be excluded.**

## **IS FINGERPRINTING REQUIRED FOR LICENSURE?**

Yes. Pursuant to Section 144 of the California Business and Professions Code, applicants for the California CPA license are required to furnish their fingerprints for purposes of conducting a criminal history record check with the Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI). The *Fingerprinting Packet Request* form can be downloaded from the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

**Applicants residing in California must use Live Scan, which will expedite the clearance process. However, due to the time required to process non-Live Scan fingerprint cards, applicants residing outside of California are encouraged to submit completed fingerprint cards at least four months prior to completing the experience requirements. An application for licensure will not be considered complete until the criminal history record check is completed, and all other required documentation is received.**

Fingerprinting provides the Board with vital information upon which to base licensing decisions. Under Section 475 of the California Business and Professions Code, an applicant may be denied licensure based on the following:

- Knowingly making a false statement of fact, or knowingly omitting to state a material fact, in an application for licensure.
- Conviction of a crime.
- Commission of any act involving dishonesty, fraud, or deceit with the intent to substantially benefit himself or another, or substantially injure another.
- Commission of any act which, if performed by a licensee of the business or profession in question, would be grounds for suspension or revocation of the license.

Once applicant fingerprints are submitted to the DOJ, the Board receives subsequent criminal conviction information on the applicant or licensee. This is another means of providing consumers with ongoing protection – even after the applicant is licensed.

### **Live Scan**

The DOJ has implemented Applicant Live Scan, a system for the electronic submission of fingerprints and the subsequent automated background check. Live Scan is available in California only and replaces the process of recording an individual's fingerprints using ink and a standard 8" x 8" fingerprint card. Live Scan is inkless fingerprinting by which the prints are electronically submitted to the DOJ. Digitizing the fingerprints enables the automatic transfer of the fingerprint image data in combination with personal information to the DOJ computers in a matter of seconds, instead of the days required to send hard copy fingerprint cards through the U.S. mail. The DOJ also coordinates other processing resulting from the automated submission of fingerprints, including forwarding the fingerprints to the FBI.

While hard copy fingerprint cards may take up to four months to process, 95 percent of the electronic fingerprints are completed in three days or less.

A list of Applicant Live Scan Sites may be found by visiting the Department of Justice's Web site at [www.ag.ca.gov](http://www.ag.ca.gov).

### **Fingerprint Cards**

Applicants must use the cards furnished by this Board. No other cards will be accepted. Fingerprint cards must be taken to a qualified technician trained in fingerprint-taking techniques. Some law enforcement agencies will provide this service, and a fee may be charged. In addition, telephone yellow page directories may list fingerprinting services. Also, some notary publics provide this service.

## **DO I NEED TO SUBMIT TRANSCRIPTS?**

Yes. Transcripts detailing completion of all required courses and the conferral of a baccalaureate or higher degree must be sent directly to the Board from the college(s) or university. If the examination was taken in California prior to May 2000, it is possible no transcript was submitted or the transcript on file is "unofficial" or "issued to student" and, therefore, requires an official transcript be submitted. **If official transcripts were submitted to the Board during the exam process it may not be necessary to have additional transcripts submitted.** Type B and C applicants must have transcripts submitted directly to the Board from the college(s) or university.



## HOW MUCH DOES IT COST TO APPLY FOR THE LICENSE?

The following is a list of options and fees under which you will be applying for licensure.

	<b><u>OPTIONS</u></b>	<b><u>FEES</u></b>	
1.	If you are submitting an application for licensure with a set of two fingerprint cards.	\$306	
2.	If you are submitting ONLY a set of two fingerprint cards to allow for early processing.	\$ 56	
3.	If you are submitting an application for licensure and have previously submitted your fingerprint cards to allow for early processing.	\$250	
4.	If you are submitting an application for licensure and have had or plan to have your fingerprints taken via Live Scan.	\$250	
5.	If you are a California licensee originally issued a license to perform general accounting services who is now requesting the Board's acknowledgment of the completion of attest experience.	\$ 25	

## WHAT IF MY CHECK DOES NOT CLEAR THE BANK?

If an applicant's check is returned by the bank, the applicant is responsible for the entire licensing fee (application fee and fingerprint fee, if applicable). The fee will be assessed immediately upon discovery of a stop payment or a check returned. In addition, the applicant will be charged a \$10 fee for checks returned due to insufficient funds. **An application for licensure will not be processed until all fees have been paid in full.**

**National Bank for Development**

**Check No. 0285**

**Date: 4 July 2005**

**Pay to the Order of: California Board of Accountancy**

**The Sum of: One Hundred US dollars only \*\*\*\*\* \$100.00**

► **Drawn on:**

Anywhere Bank  
000 Main Street  
New York, NY 00000-0000

**Signature: John D. Smith**

► **I: 0000000000 I: 0000 0 0000 II' 0000000000** ◀

NOTE: The Board accepts only checks issued by a U.S.-affiliated bank with the Federal Reserve Bank account number printed on the check.

## **DO I NEED TO NOTIFY THE BOARD OF AN ADDRESS OR NAME CHANGE?**

Yes. To keep you informed about the status of your application, it is important that you notify the Board of any address or name change. Address and name change forms may be obtained by visiting our Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

All name and address changes must be signed and be provided to the Board in writing within 30 days of the change. **Failure to provide a current mailing address or change in name may delay the processing of your application.**

## **HOW DO I KNOW THE STATUS OF MY APPLICATION?**

The Board takes the following steps to keep you informed of the status of your application:

**For your privacy protection, Board staff are not authorized to provide information regarding the receipt of or status of your application or documents by fax, e-mail or telephone.**

- Upon receipt of the application, the Board will send you an acknowledgment card that your application has been received. The acknowledgement card is included in application packages mailed directly from the Board to the applicant. It is the applicant's responsibility to self-address and return the acknowledgment card to the Board with the application for licensure.

The acknowledgement card is not available on the Board's Web site. Therefore, Board staff will address the acknowledgment card for applicants submitting a Web application.

- The Board will mail a status letter following staff's initial review of the application. This letter will advise you of any outstanding documents required to complete your application.
- If your application is not yet completed, the Board will send a second status letter advising you of any remaining documents still outstanding approximately 60 days following receipt of the initial application.
- Applications with outstanding documents following issuance of the 60-day status letter will be placed in a pending status. If subsequent documentation is submitted to the Board, the pending application will be reactivated, and an additional status letter will be sent.
- When all documents have been received to complete your application, the Board will mail a letter advising your file is complete and is in the review process.

**Information regarding the receipt or status of an application will not be given over the telephone.**

## HOW LONG DOES THE APPLICATION REVIEW PROCESS TAKE?

When all documents have been received and a file is complete, the Licensing Technician forwards the application to the Licensing Analyst for a preliminary review and recommendation. The file then is forwarded to the Licensing Manager for a final recommendation. This process will take approximately 10 to 12 weeks **from the date the application file is complete**.

If your application is approved for licensure, the Board will mail a congratulations letter with information necessary to receive your license number.

## WHEN IS MY APPLICATION CONSIDERED ABANDONED AND MY FEE FORFEITED?

If an applicant fails to complete the application process within two years of its original submission, or within one year of notification by the Board of any deficiency in the application, pursuant to Section 71(b) of the Accountancy Regulations, the application fee will be forfeited, and the application will be deemed abandoned. The Board will retain all documents submitted.

Once an application has been abandoned, to become licensed as a CPA in California, the applicant will need to submit a new *Application for Certified Public Accountant License*, the application fee, and meet all requirements in effect at the time of reapplication. Transcripts, evaluations, examination grades, and Certificates of Experience (Form E/Form G) previously submitted to the Board will be retained on file.

## WHAT IS REQUIRED AFTER MY LICENSE IS APPROVED?

Upon approval of a California CPA license, each applicant is required to pay an initial CPA license fee. **The initial CPA license fee must be paid in addition to the application fee.** Upon receipt of the initial CPA license fee, a postcard will be returned to you reflecting your CPA license number. You may not engage in the practice of public accountancy or use the CPA designation until you have received your CPA license number from the Board.

## WHEN WILL I RECEIVE THE WALL CERTIFICATE?

Each applicant will receive a CPA wall certificate, suitable for framing, approximately 90 days after payment of the initial CPA license fee. If a CPA wall certificate has been lost, stolen, or damaged, a duplicate will be issued upon submission of the *Certificate Replacement Request* and payment of the required fee. This form is available on the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

## COMPARISON OF PATHWAY REQUIREMENTS

Each pathway has its own educational and licensure requirements. The following is a comparison of the pathway requirements:

	Pathway 1	Pathway 2	Pathway 0
<b>Education for Examination</b>	<ul style="list-style-type: none"> <li>Baccalaureate degree (Section 5092).</li> </ul>	<ul style="list-style-type: none"> <li>Baccalaureate degree (Section 5093).</li> </ul>	<ul style="list-style-type: none"> <li>Baccalaureate or higher degree <b>Or</b></li> <li>120 semester units – no degree <b>or</b></li> <li>CLEP plus 10 accounting units (Section 5081.1).</li> </ul>
<b>Core Course Requirement</b>	<ul style="list-style-type: none"> <li>24 semester units of accounting.</li> <li>24 semester units of business-related subjects.</li> </ul>	<ul style="list-style-type: none"> <li>24 semester units of accounting.</li> <li>24 semester units of business-related subjects.</li> </ul>	<ul style="list-style-type: none"> <li>10 semester units of accounting.</li> <li>35 semester units of business-related subjects.</li> </ul>
<b>Licensure Requirement</b>	<ul style="list-style-type: none"> <li>Two years general experience, which must include a minimum of 500 attest hours for those who want to sign attest reports.</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of 150 semester hours of education <b>and</b></li> <li>One-year general experience, which must include a minimum of 500 attest hours for those who want to sign attest reports.</li> </ul>	<ul style="list-style-type: none"> <li>24, 36, or 48 months of experience, which includes attest experience.</li> </ul> <p><b>Pathway 0 applicants must apply and qualify for licensure prior to January 1, 2010.</b></p> <p><b>There is no deadline for current Pathway 0 applicants who later want to be licensed under Pathways 1 or 2 to make up any educational deficiencies.</b></p>

Each applicant must have passed the Uniform CPA Examination, either in California or under standards that are deemed by the California Board of Accountancy to be comparable and equal to the standards under which the California CPA License is issued. **Out-of-state applicants may only apply for licensure under Pathway 1 or Pathway 2.**

Applicants applying for licensure under Pathway 0 or Pathway 1 will not be able to change to Pathway 2 once a license number has been issued and the approval notification is mailed from the Board.

# CPA LICENSING REQUIREMENTS

## PATHWAY 1 – SECTION 5092

### Pathway 1 Recognized Schools – United States

The Board accepts **only** courses from degree-granting colleges and universities, or other institutions of learning that are recognized by a U.S. **regional institutional accrediting agency** or a **national accrediting agency**. The Board also accepts extension programs and correspondence courses from these accredited colleges and universities.

#### U.S. REGIONAL INSTITUTIONAL ACCREDITING AGENCIES

- |   |   |
|---|---|
| ▪ <b>Middle States</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.msache.org">www.msache.org</a>   | ▪ <b>New England</b> Assn. of Schools & Colleges.<br>Web site: <a href="http://www.neasc.org">www.neasc.org</a>   |
| ▪ <b>North Central</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.ncahigherlearningcommission.org">www.ncahigherlearningcommission.org</a> | ▪ <b>Northwest</b> Assn. of Schools and Colleges.<br>Web site: <a href="http://www.nwccu.org">www.nwccu.org</a>   |
| ▪ <b>Southern</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.sacs.org">www.sacs.org</a>  | ▪ <b>Western</b> Assn. of Schools and Colleges.<br>Web site: <a href="http://www.wascweb.org">www.wascweb.org</a> |

#### NATIONAL ACCREDITING AGENCIES

A complete list of **National Accrediting Agencies** is available at [www.ed.gov](http://www.ed.gov).

### Pathway 1 Foreign Education

**Applicants applying for licensure under Pathway 1 must have their foreign transcripts evaluated by a Board-approved foreign credentials evaluation service.** The transcript evaluation must show a course-by-course breakdown. Transcript evaluations must be mailed directly to the Board from the Board-approved foreign credentials evaluation service. See Page 23 for a complete list of Board-Approved Foreign Credentials Evaluation Services.

### Pathway 1 Educational Requirements

Applicants for licensure under P1 must submit acceptable documentation detailing the completion of the following educational requirements in accordance with Section 5092 of the California Accountancy Act and Section 9.2 of the Accountancy Regulations.

- Alternative 1.

Baccalaureate or higher degree and a core course requirement of 24 semester units of business-related and 24 semester units of accounting subjects. Courses in excess of the required 24 semester units of accounting may be counted toward the business-related subject unit requirement. Courses earned in quarter units must be multiplied by a factor of 2/3 to convert to semester units.

- Alternative 2.

The equivalent to Alternative 1, obtained outside the United States. An evaluation by a Board-approved evaluation service must be obtained and include a course-by-course

breakdown. Official evaluations must be mailed to the Board directly from the Board-approved credential evaluation service.

The applicant must have satisfied the core course requirement of 24 semester units of business-related subjects and 24 semester units in accounting subjects. If the required accounting and business-related subjects were not completed within the foreign education, the applicant must have completed the remaining required subjects at a U.S. degree-granting college, university or other institution of learning as indicated under Pathway 1 Recognized Schools – United States on Page 12. Courses in excess of the required 24 semester units of accounting may be counted toward the business-related subjects unit requirement.

### **Pathway 1 Core Course Requirement**

The core-course requirement consists of 24 semester units of accounting and 24 semester units of business-related subjects. Courses earned in quarter units must be multiplied by a factor of 2/3 to convert to semester units.

#### **Accounting subjects include:**

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| ▪ Accounting.                     | ▪ Financial Reporting.          |
| ▪ Auditing.                       | ▪ Financial Statement Analysis. |
| ▪ External or Internal Reporting. | ▪ Taxation.                     |

#### **Business-related subjects include:**

- |  |   |
|--|---|
| ▪ Business Administration.   | ▪ Computer Science/Information Systems. |
| ▪ Business Communications.   | ▪ Economics.                            |
| ▪ Business Law.  | ▪ Finance, e.g. Financial Management.   |
| ▪ Business Management.   | ▪ Marketing.                            |
| ▪ Business Related Law Courses<br>offered by an accredited law school. | ▪ Mathematics.                          |
|  | ▪ Statistics.                           |

In addition to those subjects already listed, accounting courses include, but are not limited to courses in Assurance, Attestation, Bookkeeping, Cost (Cost Analysis, Costing), Peachtree, Quickbooks, and CPA Review courses taken at a recognized school (see Page 12, Pathway 1 Recognized Schools – United States).

Courses in excess of the required 24 semester units of accounting may be counted toward the business-related subjects unit requirement.

All required coursework and degree(s) conferred must be shown on official transcripts and/or evaluations. Prior to requesting official transcript(s), please confirm with your school that all required information has been posted to your student record or transcript.

### **Pathway 1 Experience Requirements**

Pathway 1 applicants have two options for licensure:

- Obtain a license without satisfying the attest experience requirement – 24 months of general experience is required (see Page 24 – General Experience).

- Obtain a license with attest experience – 24 months of experience is required which must include a minimum of 500 attest hours for those who want to sign attest reports as required under Section 5095 (see Page 25 – Attest Experience).

All experience, whether obtained in public accounting or nonpublic accounting must be performed in accordance with applicable professional standards. Experience obtained through employment in public accounting will be considered to have met the general experience requirement only if it was performed under the supervision of an individual holding a valid **active** license to practice public accounting in the United States or its territories (Guam, Puerto Rico, U.S. Virgin Islands) or comparable authority to practice public accounting in a foreign country.

Experience obtained through nonpublic accounting will be considered to have met the general experience requirement only if it was performed under the supervision of an individual holding a valid **active** license to practice public accounting in the United States.

A licensee originally issued a license to perform general accounting services may subsequently obtain attest experience and request the Board's acknowledgment of the completion of attest experience. See Page 28 – Satisfying the Attest Experience Requirement.

Applicants must meet the requirements for “active” status when they are approved for initial licensure. Therefore, it is required that the applicant have current knowledge of the practice of public accounting. This knowledge is demonstrated for initial licensure by the recent completion of the CPA exam and/or license experience within the past five years.

### **Pathway 1 Important Notes**

- Part-time experience is calculated at 170 hours being equivalent to one month of full-time work.
- If the applicant's experience, either domestic or foreign, was obtained five or more years prior to the completion of the file, the Board **may** prescribe 48 hours of continuing education courses in specific areas.
- Applicants applying for licensure with foreign public accounting attest experience must present work papers substantiating that their experience meets the requirements of Section 12.5(b) of the Accountancy Regulations. As an alternative, the applicant may acquire a minimum of 500 hours of United States experience that meets the requirements of Section 5095 of the California Accountancy Act.

## PATHWAY 2 – SECTION 5093

### Pathway 2 Recognized Schools – United States

The Board accepts **only** courses from degree-granting colleges and universities, or other institutions of learning that are recognized by a U.S. **regional institutional accrediting agency** or a **national accrediting agency**. The Board also accepts extension programs and correspondence courses from these accredited colleges and universities.

#### U.S. REGIONAL INSTITUTIONAL ACCREDITING AGENCIES

- |   |   |
|---|---|
| ▪ <b>Middle States</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.msache.org">www.msache.org</a>   | ▪ <b>New England</b> Assn. of Schools & Colleges.<br>Web site: <a href="http://www.neasc.org">www.neasc.org</a>   |
| ▪ <b>North Central</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.ncahigherlearningcommission.org">www.ncahigherlearningcommission.org</a> | ▪ <b>Northwest</b> Assn. of Schools and Colleges.<br>Web site: <a href="http://www.nwccu.org">www.nwccu.org</a>   |
| ▪ <b>Southern</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.sacs.org">www.sacs.org</a>  | ▪ <b>Western</b> Assn. of Schools and Colleges.<br>Web site: <a href="http://www.wascweb.org">www.wascweb.org</a> |

#### NATIONAL ACCREDITING AGENCIES

A complete list of **National Accrediting Agencies** is available at [www.ed.gov](http://www.ed.gov).

### Pathway 2 Foreign Education

**Applicants applying for licensure under Pathway 2 must have their foreign transcripts evaluated by a Board-approved foreign credentials evaluation service.** The transcript evaluation must show a course-by-course breakdown. Transcript evaluations must be mailed directly to the Board from the Board-approved foreign credentials evaluation service. See Page 23 for a complete list of Board-Approved Foreign Credentials Evaluation Services.

### Pathway 2 Educational Requirements

Applicants for licensure under P2 must submit acceptable documentation detailing the completion of the following educational requirements in accordance with Section 5093 of the California Accountancy Act and Section 9.2 of the Accountancy Regulations. In addition, before licensure, each applicant must show evidence of 150 semester units of education. Other than the core course requirement, the Board does not specify the course content of the remaining units. Additional courses may be at the undergraduate or graduate level.

- Alternative 1.

Baccalaureate or higher degree with a core course requirement of 48 semester units of business-related and accounting subjects, including a minimum of 24 semester units of accounting subjects. Courses in excess of the required 24 semester units of accounting may be counted toward the business-related subject unit requirement. Courses earned in quarter units must be multiplied by a factor of 2/3 to convert to semester units.



- Alternative 2.

The equivalent to Alternative 1, obtained outside the United States. An evaluation by a Board-approved evaluation service must be obtained and include a course-by-course breakdown. Official evaluations must be mailed to the Board directly from the Board-approved credential evaluation service.

The applicant must have the core course requirement of 24 semester units of business-related subjects and 24 semester units in accounting subjects. If the required accounting and business-related subjects were not completed within the foreign education, the applicant must have completed the remaining required subjects at a U.S. degree-granting college, university or other institution of learning as indicated under Pathway 2 Recognized Schools – United States on Page 15. Courses in excess of the required 24 semester units of accounting may be counted toward the business-related subjects unit requirement.

- Alternative 3.

Successful passage of the Canadian Chartered Accountant Uniform Certified Public Accountant Qualification Examination (CAQEX) of the American Institute of Certified Public Accountants.

- Alternative 4.

Successful passage of the International Uniform Certified Public Accountant Qualification Examination (IQEX) of the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy.

### **Pathway 2 Core Course Requirement**

The core-course requirement consists of 48 semester units of accounting and business-related subjects, including a minimum of 24 semester units in accounting subjects. The remaining 24 semester units may include additional accounting subjects or other business-related subjects as listed below. Courses may be completed in any of the subjects listed below. Courses earned in quarter units must be multiplied by a factor of 2/3 to convert to semester units.

#### **Accounting subjects include:**

- |                                   |                                 |
|-----------------------------------|---------------------------------|
| ▪ Accounting.                     | ▪ Financial Reporting.          |
| ▪ Auditing.                       | ▪ Financial Statement Analysis. |
| ▪ External or Internal Reporting. | ▪ Taxation.                     |

#### **Business-related subjects include:**

- |   |   |
|---|---|
| ▪ Business Administration.  | ▪ Computer Science/Information Systems. |
| ▪ Business Communications.  | ▪ Economics.                            |
| ▪ Business Law.   | ▪ Finance, e.g. Financial Management.   |
| ▪ Business Management.  | ▪ Marketing.                            |
| ▪ Business Related Law Courses offered by an accredited law school. | ▪ Mathematics.                          |
|   | ▪ Statistics.                           |

In addition to those subjects already listed, accounting courses include, but are not limited to courses in Assurance, Attestation, Bookkeeping, Cost (Cost Analysis, Costing), Peachtree, Quickbooks, and CPA Review courses taken at a recognized school (see Page 15, Pathway 2 Recognized Schools – United States).

Courses in excess of the required 24 semester units of accounting may be counted toward the business-related subjects unit requirement.

All required coursework and degree(s) conferred must be shown on official transcripts and/or evaluations. Prior to requesting official transcript(s), please confirm with your school that all required information has been posted to your student record or transcript.

### **Pathway 2 Experience Requirements**

Pathway 2 applicants have two options for licensure:

- Obtain a license without satisfying the attest experience requirement – 12 months of general experience is required (see Page 24 – General Experience).
- Obtain a license with attest experience – 12 months of experience is required which must include a minimum of 500 attest hours for those who want to sign attest reports as required under Section 5095 (see Page 25 – Attest Experience).

All experience, whether obtained in public accounting or nonpublic accounting must be performed in accordance with applicable professional standards. Experience obtained through employment in public accounting will be considered to have met the general experience requirement only if it was performed under the supervision of an individual holding a valid **active** license to practice public accounting in the United States or its territories (Guam, Puerto Rico, U.S. Virgin Islands) or comparable authority to practice public accounting in a foreign country.

Experience obtained through nonpublic accounting will be considered to have met the general experience requirement only if it was performed under the supervision of an individual holding a valid **active** license to practice public accounting in the United States.

A licensee originally issued a license to perform general accounting services may subsequently obtain attest experience and request the Board's acknowledgment of the completion of attest experience. See Page 28, Satisfying the Attest Experience Requirement.

Applicants must meet the requirements for "active" status when they are approved for initial licensure. Therefore, it is required that the applicant have current knowledge of the practice of public accounting. This knowledge is demonstrated for initial licensure by completion of the current CPA exam and/or license experience within the past five years.

## **Pathway 2 Important Notes**

- Part-time experience is calculated at 170 hours being equivalent to one month of full-time work.
- If the applicant's experience, either domestic or foreign, was obtained five or more years prior to the completion of the file, the Board **may** prescribe 48 hours of continuing education courses in specific areas.
- Applicants applying for licensure with foreign public accounting attest experience must present work papers substantiating that their experience meets the requirements of Section 12.5(b) of the Accountancy Regulations. As an alternative, the applicant may acquire a minimum of 500 hours of United States experience that meets the requirements of Section 5095(b) of the California Accountancy Act.

## CPA LICENSING OPTIONS – PATHWAY 0

### Pathway 0 (P0)

- Applicants who **initially applied for the CPA Examination in California under P0 requirements** may apply and qualify for licensure under P0 licensing requirements prior to January 1, 2010.
- **If an applicant does not apply and qualify for licensure under P0 prior to January 1, 2010, that applicant will be required to meet the current P1 or P2 education requirements and** apply and qualify for licensure under P1 or P2 licensing requirements. Evidence of qualifying education must be provided at the time of application for licensure.

**Only applicants applying under P0 are subject to the January 1, 2010 deadline.**

## **PATHWAY 0 – SECTION 5083**

### **Pathway 0 Recognized Schools – United States**

The Board accepts **only** courses from degree-granting colleges and universities, or other institutions of learning that are recognized by a U.S. **regional institutional accrediting agency** or a **national accrediting agency**. The Board also accepts extension programs and correspondence courses from these accredited colleges and universities.

#### **U.S. REGIONAL INSTITUTIONAL ACCREDITING AGENCIES**

- |   |   |
|---|---|
| ▪ <b>Middle States</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.msache.org">www.msache.org</a>   | ▪ <b>New England</b> Assn. of Schools & Colleges.<br>Web site: <a href="http://www.neasc.org">www.neasc.org</a>   |
| ▪ <b>North Central</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.ncahigherlearningcommission.org">www.ncahigherlearningcommission.org</a> | ▪ <b>Northwest</b> Assn. of Schools and Colleges.<br>Web site: <a href="http://www.nwccu.org">www.nwccu.org</a>   |
| ▪ <b>Southern</b> Assn. of Colleges and Schools.<br>Web site: <a href="http://www.sacs.org">www.sacs.org</a>  | ▪ <b>Western</b> Assn. of Schools and Colleges.<br>Web site: <a href="http://www.wascweb.org">www.wascweb.org</a> |

#### **NATIONAL ACCREDITING AGENCIES**

A complete list of **National Accrediting Agencies** is available at [www.ed.gov](http://www.ed.gov).

### **Pathway 0 Educational Requirements**

Applicants for licensure under P0 must submit acceptable documentation detailing the completion of one of the following educational requirements in accordance with Section 5081.1 of the California Accountancy Act and Section 9 of Title 16 of the Accountancy Regulations.

- Alternative 1.

Baccalaureate or higher degree. The applicant must have completed a minimum of 45 semester units in accounting/auditing and business-related courses, of which at least 10 semester units must be in accounting/auditing.

- Alternative 2.

The equivalent to Alternative 1, obtained outside the United States. An evaluation by a Board-approved evaluation service must be obtained and include a course-by-course breakdown. Official evaluations must be mailed to the Board directly from the Board-approved credential evaluation service. See Page 23 for a complete list of Board-Approved Foreign Credentials Evaluation Services.

The applicant must have completed a minimum of 45 semester units in accounting/auditing and business-related courses, of which at least 10 semester units must be in accounting/auditing courses.

If the required accounting/auditing and business-related units were not completed within the foreign education, the applicant must have completed the remaining required units at a U.S. degree-granting college, university or other institution of learning as indicated under Pathway 0 Recognized Schools above.

- Alternative 3.

120 semester units of study with no degree. The applicant must have completed a minimum of 45 semester units in accounting/auditing and business-related courses, of which at least 10 semester units must be in accounting/auditing courses.

- Alternative 4.

Successful completion of any two general College Level Examination Program (CLEP) examinations and 10 semester units of accounting subjects from a university, college, or other institution of learning accredited by a regional or national accrediting agency.

- Alternative 5.

Be a member, in good standing, of one of the following institutes or societies:

- Institute of Chartered Accountants in England and Wales.
- Institute of Chartered Accountants of Scotland.
- Institute of Chartered Accountants in Ireland.
- Institute of Chartered Accountants of Australia.
- Institute of Chartered Accountants of New Zealand (formerly called New Zealand Society of Accountants).

### **Pathway 0 Experience Requirements**

Depending upon an applicant's education, P0 requires a 24, 36, or 48-month experience requirement that **must include attest experience. Although no minimum number of hours has been prescribed for licensure, it may be difficult for an applicant to obtain Section 11.5 experience of a sufficient character and variety in less than 500 hours.**

- Section 5083 of the California Accountancy Act requires a 36-month experience requirement if an applicant meets Alternatives 1 or 2 as described under P0 Educational Requirements.
- Section 5084 of the California Accountancy Act allows qualifying applicants under Alternatives 1 or 2 to reduce the experience requirement to 24 months, if the applicant has graduated from a regionally or nationally accredited educational institution and has completed a minimum of 20 semester units, or the equivalent, in accounting/auditing courses.
- Section 5083 of the California Accountancy Act requires a 48-month experience requirement if an applicant meets Alternatives 3, 4, or 5 as described under P0 Educational Requirements.

All experience must be performed in accordance with applicable professional standards. Experience obtained through employment in public accounting will be considered to have met the general experience requirement only if it was performed under the supervision of an individual holding a valid active license or comparable authority to practice public accounting in any state or country.

Experience obtained through nonpublic accounting will be considered to have met the general experience requirement only if it was performed under the supervision of an individual holding a valid active license to practice public accounting in the United States.

Applicants must meet the requirements for “active” status when they are approved for initial licensure. Therefore, it is required that the applicant have current knowledge of the practice of public accounting. This knowledge is demonstrated for initial licensure by completion of the current exam and/or license experience within the past five years.

### **Pathway 0 Important Notes**

- A P0 applicant must apply and qualify for licensure prior to January 1, 2010.
- 170 hours of part-time employment is considered equivalent to one month of full-time work.
- If the applicant’s experience, either domestic or foreign, was obtained five or more years prior to the completion of the file, the Board **may** prescribe 48 hours of continuing education courses in specific areas.
- **If an applicant does not apply and qualify for licensure prior to January 1, 2010, the applicant will be required to meet the educational requirements under P1 or P2 prior to licensure.**

## Board-Approved Foreign Credentials Evaluation Services

<b>Academic Credentials Evaluation Institute, Inc.</b> P.O. Box 6908 Beverly Hills, CA 90212 Phone: (310) 275-3530, United States Only: (800) 234-1597 Fax: (310) 275-3528 E-mail: <a href="mailto:acei@acei1.com">acei@acei1.com</a> Web site: <a href="http://www.acei1.com">www.acei1.com</a>	<b>Academic and Professional International Evaluation, Inc.</b> P.O. Box 5787 Los Alamitos, CA 90721-5787 Phone: (562) 594-6498 Fax: (562) 594-8498 E-mail: <a href="mailto:apie@email.msn.com">apie@email.msn.com</a> Web site: <a href="http://www.apie.org">www.apie.org</a>
<b>American Education Research Corporation, Inc.</b> P.O. Box 996 West Covina, CA 91793-0996 Phone: (626) 339-4404 Fax: (626) 339-9081 E-mail: <a href="mailto:aerc@verizon.net">aerc@verizon.net</a> Web site: <a href="http://www.aerc-eval.com">www.aerc-eval.com</a>	<b>Center for Applied Research, Evaluation and Education, Inc.</b> P.O. Box 20348 Long Beach, CA 90801-3348 Phone: (562) 430-1105 Fax: (562) 430-8215 E-mail: <a href="mailto:evalcaree@earthlink.net">evalcaree@earthlink.net</a>
<b>Educational Credential Evaluators, Inc.</b> P.O. Box 514070 Milwaukee, WI 53203-3470 Phone: (414) 289-3400 Fax: (414) 289-3411 E-mail: <a href="mailto:eval@ece.org">eval@ece.org</a> Web site: <a href="http://www.ece.org">www.ece.org</a>	<b>Educational Records Evaluation Service</b> 601 University Avenue, Suite 127 Sacramento, CA 95825-8309 Phone: (916) 921-0790 Fax: (916) 921-0793 E-mail: <a href="mailto:edu@eres.com">edu@eres.com</a> Web site: <a href="http://www.eres.com">www.eres.com</a>
<b>Foreign Credentials Service of America</b> 1910 Justin Lane Austin, Texas 78757-2411 Phone: (512) 459-8428 (512) 459-4565 E-mail: <a href="mailto:info@fcsa.biz">info@fcsa.biz</a> Web site: <a href="http://www.fcsa.biz">www.fcsa.biz</a>	<b>Foreign Educational Document Services</b> P.O. Box 4091 Stockton, CA 95204 Phone: (209) 948-6589 Fax: (209) 937-0717
<b>Global Education Group, Inc.</b> 1650 Alton Road Miami Beach, FL 33139 Phone: (305) 534-8745 Fax: (305) 534-3487 E-mail: <a href="mailto:global@globaledu.com">global@globaledu.com</a> Web site: <a href="http://www.globaledu.com">www.globaledu.com</a>	<b>Global Services Associates</b> 2554 Lincoln Boulevard #445 Marina del Rey, CA 90291-5082 Phone: (310) 828-5709 Fax: (310) 828-5709 E-mail: <a href="mailto:info@globaleval.org">info@globaleval.org</a> Web site: <a href="http://www.globaleval.org">www.globaleval.org</a>
<b>International Education Research Foundation, Inc.</b> P.O. Box 3665 Culver City, CA 90231-3665 Phone: (310) 258-9451 Fax: (310) 342-7086 E-mail: <a href="mailto:info@ierf.org">info@ierf.org</a> Web site: <a href="http://www.ierf.org">www.ierf.org</a>	<b>Josef Silny &amp; Associates</b> P.O. Box 248233 Coral Gables, FL 3312 Phone: (305) 273-1616 Fax: (305) 273-1338 E-mail: <a href="mailto:info@jsilny.com">info@jsilny.com</a> Web site: <a href="http://www.jsilny.com">www.jsilny.com</a>
<b>World Education Services</b> P.O. Box 5087 Bowling Green Station New York, NY 10274-5087 Phone: (212) 966-6311 Fax: (212) 739-6139 E-mail: <a href="mailto:info@wes.org">info@wes.org</a>	



## GENERAL EXPERIENCE

Applicants applying for licensure under Section 5092 (P1) or 5093 (P2) of the California Accountancy Act must provide the Board with satisfactory evidence of having satisfied the general experience requirement. Pathway 1 applicants have a 24-month experience requirement while Pathway 2 applicants have a 12-month experience requirement.

### Scope

General experience includes providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills.

To qualify for licensure, experience must have been performed in accordance with applicable professional standards.

Applicants applying with either domestic or foreign experience obtained five or more years prior to the completion of the file may be required to obtain 48 hours of continuing education courses in specific areas prescribed by the Board.

A licensee who initially obtains a CPA license without satisfying the attest experience requirement may commence signing reports on attest engagements upon receipt of notification from the Board that he/she has met the requirements of Section 5095 of the California Accountancy Act. See Page 28, Satisfying the Attest Experience Requirement for additional information regarding the options for satisfying the attest experience requirement subsequent to licensure.

### Obtaining General Accounting Experience

**All experience must be obtained and performed, as provided in the California Accountancy Act, under the supervision of an individual with a valid active license to practice public accountancy.**

If experience is obtained outside California, written verification from the out-of-state board or licensing body that the supervisor holds a valid license to practice public accountancy is required. Upon receipt of an application for licensure, the Board will send the applicant a verification form that must be mailed to the out-of-state board or licensing agency issuing the supervisor's CPA license. **An official seal of the state board or foreign licensing body issuing the license to the supervisor is required on the signed document.** It is the applicant's responsibility to provide the necessary fees associated with the completion of the verification.

**Public Accounting Experience** – General accounting experience obtained through employment in public accounting will be considered to have met the general experience requirement **only** if it was performed under the supervision of an individual holding a valid active license or comparable authority to practice public accountancy in any state or country.

**Nonpublic Accounting Experience** – General accounting experience obtained through employment in nonpublic accounting will be considered to have met the general accounting

experience requirement **only** if it was performed under the supervision of an individual holding a valid active license to practice public accountancy in the United States or its territories.

### **Supervising General Accounting Experience**

**Public Accounting Experience** – General accounting experience obtained through employment in public accounting must be verified by the licensee holding a valid active license to practice public accountancy who supervises the applicant and by a second licensee with a higher level of responsibility in the firm. The second person signing the verification must be an owner (sole proprietor, partner or shareholder) of the firm holding a valid active license or comparable authority to practice public accountancy. If the licensee supervising the experience is a sole proprietor, partner, or shareholder, a second signature is not required.

**Nonpublic Accounting Experience** – General accounting experience obtained in nonpublic accounting must be verified by the licensee holding a valid active license in the United States to practice public accountancy who supervises the applicant and by a second person with a higher level of responsibility in the business/agency. The second signer is not required to hold a license to practice public accountancy. If the licensee supervising the experience is the owner of the business, a second signature is not required.

## **ATTEST EXPERIENCE**

Applicants applying for licensure under P1 or P2 have the option of obtaining a license without satisfying the attest experience requirement. Pathway 0 applicants must meet the attest experience requirement.

Attest experience includes an audit, review of financial statements, or an examination of prospective financial information provided. Attest services do not include the issuance of compiled financial statements. Attest experience may be fulfilled by a combination of:

- financial, operational, management and compliance audits;
- review services **only to the extent the review includes audit procedures. Note: Frequently, only analytical review procedures qualify, however, the scope of work may be extended in selected areas and, therefore, qualify;** and
- compliance services **only to the extent preparation of full disclosure financial statements is supported by work papers.**

Qualifying experience may be gained through employment in public accounting or nonpublic accounting. Experience acquired in academia is not qualifying.

To qualify for licensure, experience must have been performed in accordance with applicable professional standards.

All applicants applying for licensure with attest experience must be able to demonstrate an understanding of the requirements of planning and conducting an audit with minimum supervision resulting in an opinion on full disclosure financial statements under Sections 5083, 5095, 11.5, and 12.5 of the California Accountancy Act and Accountancy Regulations, respectively. In order to satisfy the attest experience requirement for licensure, the applicant

must show to the satisfaction of the Board that the applicant has completed a minimum of 500 hours of attest experience, including the following:

1. Participation in the planning of the audit, including the selection of the procedures to be performed.
2. Experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions included in financial statements.
3. Experience in the preparation of working papers in connection with the various elements of 1 and 2 above.
4. Experience in the preparation of written explanations and comments on the work performed and the findings.
5. Participation in the preparation of and reporting on full disclosure financial statements.

Applicants who apply with attest experience obtained outside the United States and its territories will be required to appear before the Board's Qualifications Committee to present audit work papers substantiating that such experience meets the Board's attest experience requirements and generally accepted auditing standards.

### **Scope**

Under Sections 5083, 5095, 11.5 and 12.5 of the California Accountancy Act and Accountancy Regulations, attest services include an audit, a review of financial statements, or an examination of prospective financial information provided. Attest services do not include the issuance of compiled financial statements. Attest experience may be fulfilled by a combination of:

- financial, operational, management and compliance audits;
- review services **only to the extent the review includes audit procedures. Note: Frequently, only analytical review procedures qualify, however, the scope of work may be extended in selected areas and, therefore, qualify;** and
- compliance services **only to the extent preparation of full disclosure financial statements is supported by work papers.**

To qualify for licensure, experience must have been performed in accordance with applicable professional standards.

No credit for attest experience will be granted for an *Certificate of Attest Experience* that is negatively completed. However, partial credit may be granted **if** some of the questions have been affirmatively completed.

Attest experience obtained outside the United States must be documented on a separate *Certificate of Attest Experience* from the domestic *Certificate of Attest Experience*.

## **Certificate of Attest Experience**

To sign reports on attest engagements, as required under Sections 5083 and 5095 of the California Accountancy Act, each applicant must demonstrate to the satisfaction of the Board that the applicant meets the requirements of Sections 11.5 or 12.5 of the Accountancy Regulations. The person supervising the experience must verify, on the *Certificate of Attest Experience*, that the applicant satisfied the attest experience. The applicant's employer must send the *Certificate of Attest Experience* directly to the Board.

When an applicant has more than one employer, the Board will take into consideration all *Certificates of Attest Experience* submitted, whether affirmatively completed in either individual or composite form, in making its decision for licensure.

Attest experience must cover all of the following:

1. Participation in the planning of the audit, including the selection of the procedures to be performed.
2. Experience in applying a variety of auditing procedures and techniques to the usual and customary financial transactions included in financial statements.
3. Experience in the preparation of working papers in connection with the various elements of 1 and 2 above.
4. Experience in the preparation of written explanations and comments on the work performed and the findings.
5. Participation in the preparation of and reporting on full disclosure financial statements.

The *Certificate of Attest Experience*, both public and nonpublic, is included with the application for licensure, and it is also available on the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

**Public accounting experience** - Experience obtained through employment in public accounting will qualify if, in the opinion of the Board, the experience meets the requirements as described above under *Certificate of Attest Experience*.

**Nonpublic accounting experience** – Experience obtained through employment in nonpublic accounting outside the United States and its territories will **only** be considered to have met the experience requirements as described in Sections 11.5(c) or 12.5(e) of the California Code of Regulations, and Sections 5083(b), 5092(d), 5093(d) or 5095(b) of the California Accountancy Act if the experience was obtained under the supervision of a licensee holding a valid active license to practice public accountancy in the United States.

## **Signer(s) of the Certificate of Attest Experience**

**Public accounting experience** – Attest experience **must** be performed under the supervision of an individual who has satisfied the attest experience requirement and who holds a valid active license to practice public accountancy and provide attest services in any state or country. Sections 5083 (P0) and 5095 (P1/2) of the California Accountancy Act and Sections 11.5 (P0) and 12.5(a) (P1/2) of the Accountancy Regulations require that attest experience be

verified by the licensee supervisor **and** a second licensee with a higher level of responsibility in the firm, unless the first person signing the *Certificate of Attest Experience* is a sole proprietor, partner or shareholder. If the first signer is a sole proprietor, partner, or shareholder, a second signature is not required.

**Nonpublic accounting experience** – Attest experience obtained in nonpublic accounting **must** be performed under the supervision of an individual who has satisfied the attest experience requirement and who holds a valid active license to practice public accountancy and provide attest services in any state. Sections 5083 (P0) and 5095 (P1/2) of the California Accountancy Act and Sections 11.5 (P0) and 12.5(a) (P1/2) of the Accountancy Regulations require that attest experience be verified by a supervisor holding a valid license to practice public accountancy **and** a second person with a higher level of responsibility in the business/agency. If the first signer is also the owner of the business/agency, no second signature is required. The second signer is not required to hold a valid license to practice public accounting.

If an applicant's experience was gained in a state outside California, the Board requires written verification from the out-of-state board or the licensing body that the signer of the *Certificate of Attest Experience* holds a valid active license or comparable authority, if applicable, to practice public accounting. Upon receipt of an application for licensure, the Board will send the applicant a verification form to be mailed to the out-of-state board or licensing agency issuing the employer's CPA license. **An official seal of the state board or foreign licensing body issuing the license to the supervisor is required on the signed document.**

### **Satisfying the Attest Experience Requirement**

A licensee who **was originally issued a license to perform general accounting services** may subsequently obtain certification of attest experience by:

- Obtaining a minimum of 500 hours of attest experience under the supervision of a licensee who holds a valid active license or comparable authority to provide attest services. An affirmatively completed *Certificate of Attest Experience* **must** be completed, in individual or composite, and submitted directly to the Board office by the employer.
- Completing the *Request for Acknowledgment of Licensee's Completion of Attest Experience* available on the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).
- Submitting a \$25 fee.
- Submitting a current 2x2 inch passport type photo.

Applicants submitting attest experience may be required to appear before the Qualifications Committee to present audit work papers or other evidence substantiating that their experience meets the requirements of Section 5095 of the California Accountancy Act.

### **What to do if your California employer will not complete a Certificate of Experience**

Every applicant for certification can expect to have a Certificate of Experience completed on his or her behalf. Accordingly, under the provisions of Section 69, the Board will investigate instances in which a California CPA or PA **in public accounting** has refused to provide a

Certificate of Experience for experience obtained in his or her employ **as long as an application for licensure has been submitted.**

If your employer refuses to complete a Certificate of Experience on your behalf, the Board recommends the following steps be taken:

1. Submit a written request to your employer asking that he or she complete the Certificate of Experience on your behalf and submit a copy to the Board. Your request should provide the employer with a reasonable amount of time to respond.
2. If your employer does not respond, a follow-up request in writing should be made.
3. If your employer still does not respond, submit a letter to the Board asking that the Board intervene on your behalf. Copies of the original and follow-up letters should accompany your letter to the Board.
4. It is suggested that all correspondence be sent Certified Mail, Return Receipt Requested.

#### **Appearance before the CPA Qualifications Committee**

**It is the applicant's responsibility to present work papers demonstrating his or her understanding of the requirements to plan and conduct an audit with minimum supervision resulting in an opinion on full disclosure financial statements.**

- Experience obtained within the United States and its territories (Guam, Puerto Rico, U.S. Virgin Islands) – Public and Nonpublic.

Applicants for licensure may be required to appear before the Qualifications Committee to present audit work papers, or other evidence, substantiating that his or her experience meets the requirements of Sections 5083 or 5095 of the California Accountancy Act and Sections 11.5(a) or 12.5(b) of the Accountancy Regulations, Title 16, Division 1.

- Experience obtained outside the United States – Public.

Applicants who are applying with attest experience obtained outside of the United States and its territories (Guam, Puerto Rico, U.S. Virgin Islands) must appear before the Qualifications Committee and present work papers. The work papers must be in English and must substantiate that this experience meets the requirements set forth in Items 1 through 5, outlined under Attest Experience on Page 25, and otherwise meets the time requirements under the California Accountancy Act. As an alternative to appearing with the foreign work papers, an applicant may obtain a minimum of 500 hours of United States experience which meets the requirements of items 1 through 5, outlined under Attest Experience on Page 25, and the requirements of Section 5095 of the California Accountancy Act. The work must result in an affirmatively completed *Certificate of Attest Experience*. It is mandatory that the work completed in the United States or its territories be available for review at the Board's discretion.

## **Certification of Applicant's Experience – Section 69**

Accountancy Regulations Section 69 is specific to an employer and relates to the “audit” of the *Certificate of Attest Experience*, submitted by the employer in support of the experience of the applicant. Under Section 69, employers may be selected for review for a variety of reasons including, but not limited to, the following:

- If there is any discrepancy or disagreement between the applicant and the employer as to the dates, type of work performed, and/or whether that type of experience demonstrated a satisfactory knowledge of current practice and professional standards.
- The applicant is related to the employer.
- The firm is on reappearance status due to a prior unsatisfactory Section 69 review.
- The *Certificate of Attest Experience*, as completed, does not appear consistent with the experience requirement.
- The employer fails or refuses to complete and submit the *Certificate of Attest Experience*.

Once an application has been selected for a Rule 69 review, the applicant and the employer will be notified of the deferral of the application. The employer then will be required to appear before the Board's Qualifications Committee to present documentation supporting the experience certified on the *Attest Certificate of Experience*. The applicant also will be invited to appear.

## **ISSUANCE OF A NEW CPA LICENSE AFTER CANCELLATION (RE-ISSUANCE)**

A California CPA whose certificate has been cancelled because renewal fees were not paid for five years following the license expiration date may apply for and obtain a new certificate with a new number, if the applicant is otherwise qualified under the provisions of Section 5070.7 of the California Accountancy Act. **Applicants must meet the requirements for “active” status when they are approved for license reissuance.** An applicant with a cancelled license wishing to apply for a new license to practice public accounting must:

1. Complete the *Application for Certified Public Accountant*. The application can be obtained by visiting the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).
2. Pass the California Professional Ethics for CPAs Examination (**PETH**). Please refer to the Ethics Examination section on Page 5 of this booklet.
3. Complete the *Criminal Conviction Disclosure Form*.
4. Be fingerprinted (either Live Scan or hard copy card). Please refer to the Fingerprinting section on Page 6 of this booklet.
5. Submit 120 hours of continuing education within the three years preceding the date of your application. All hours must be listed on the *Continuing Education Reporting Form*. Of the

120 hours, 48 hours must be completed in subject areas specifically identified by the Board as:

Financial Accounting Standards: A Comprehensive Review Course	16 hours
Auditing Standards: A Comprehensive Review Course	16 hours
Compilation and Review: Basic Review and Update	8 hours
Other Comprehensive Basis of Accounting	8 hours

Self-study courses taken after January 1, 2005 must comply with Sections 88-88.2 of the Accountancy regulations.

**Certificates of Completion for only the 48 hours must be submitted to the Board.**

### **Important Notes**

- In lieu of meeting the continuing education requirement described above, the applicant may choose to retake and successfully complete the Uniform CPA Examination.
- **An applicant who obtains a new certificate after cancellation will be permitted to perform the same services as the applicant was authorized to perform prior to cancellation.**

## **TYPE B APPLICANTS - TRANSFER OF EXAMINATION GRADES AND/OR LICENSE STATUS**

Under Section 5082.5 of the California Accountancy Act, the Board may give credit to an applicant who has passed the examination in another state or territory, if the members of the Board determine that the standards under which the examination was held are as high as the standards established for the examination in California.

Applicants who passed the exam in a state other than California **must** have their Uniform CPA Examination grades transferred to California. *An Authorization for Release of Examination and Licensure Information must* be completed by an official of the state of origin, and **it must be mailed directly from the state of origin to the California Board of Accountancy.** This form is available in the application for licensure package or on the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba). **Applicants who passed the exam in a state other than California may only apply for licensure under Pathway 1 or Pathway 2.** The Type B Checklist is posted on the Board's Web site.

## **TYPE C APPLICANTS - APPLICANTS LICENSED AS A CPA IN ANOTHER STATE**

Under Section 5082.5 of the California Accountancy Act, the Board may give credit to an applicant who has passed the examination in another state or territory, if the members of the



Board determine that the standards under which the examination was held are as high as the standards established for the examination in California.

California does not recognize reciprocity. If an out-of-state CPA wishes to hold out and practice in California, he or she must submit an *Application for Certified Public Accountant License* and meet California's education and licensing requirements. **Out-of-state applicants may only apply for licensure under Pathway 1 or Pathway 2.**

### **Interim Practice Rights for Applicants with Out-of-State Licenses**

Any person who is licensed in another state and applies to California under the provisions of Sections 5087 and 5088 of the California Accountancy Act may perform the same public accounting services as a California CPA (temporary practice rights) until the application for a California license is granted or rejected providing the applicant:

- Possesses a valid and unrevoked license to practice as a Certified Public Accountant issued under the laws of any state, and
- Completes both sides of the *Continuing Education Reporting Form – For Out-of-State Applicants* providing evidence that 80 hours of qualifying continuing education has been completed in the 24 months prior to the date of filing the application.

**Self-study courses taken after January 1, 2005, must comply with Sections 88-88.2 of the Accountancy Regulations.**

The names of out-of-state applicants meeting the requirements for temporary practice rights in California are maintained on the Board's Web site under *License Lookup*.

Generally, the maximum period for temporary practice rights is 120 days from the date the application is received. If at 120 days, all documents to complete the application have not been submitted, practice rights may be terminated until such time as the application for a license has been approved.

**Pursuant to Section 5088 of the California Accountancy Act, an applicant who does not provide evidence of 80 hours of qualifying continuing education at the time of application for licensure may not perform public accounting services in California until his or her application for licensure has been approved.**

An applicant who does not hold a valid license to practice public accounting or who has not completed the required 80 hours of qualifying continuing education must sign and submit the *Acknowledgment by Out-of-State Applicant That Applicant is Ineligible for Interim Practice Rights Under Business & Professions Code Section 5088*" (Form 11R-2). **The applicant may not hold out or practice as a Certified Public Accountant in California while the application is being processed.**

**NOTE:** If an application has been rejected, temporary practice rights are terminated, and the applicant may not hold out or practice as a CPA in the state of California until the applicant has been approved for licensure.

## **Out-of-State Licensee – Section 21**

The Board will consider applications filed under Section 5087 of the California Accountancy Act from holders of valid unrevoked CPA licenses issued under the laws of any state. The Board may deny an application if the facts indicate the applicant has been a California resident before, during, or after obtaining a CPA license in another state, and when the facts indicate that the applicant's CPA license was obtained in another state to evade otherwise applicable California statutes and rules.

An out-of-state licensee may be considered to have met the experience requirements of Sections 5092, 5093 or 5095 of the California Accountancy Act when that applicant shows to the satisfaction of the Board that:

- The applicant has been engaged in the practice of public accountancy as a licensed certified public accountant in another state for four of the 10 years preceding the date of application for a California license;
- The applicant has satisfied the experience requirement, and a Certificate of Experience is submitted on behalf of the applicant.

## **Important Notes**

- California law does not give the Board authority to license persons licensed or registered in another state as a Public Accountant. Such persons must successfully complete the Uniform CPA Examination and meet all other requirements for licensure as a CPA in California.
- A copy of the California Accountancy Act and Regulations is available on the Board's Web site at [www.dca.ca.gov/cba](http://www.dca.ca.gov/cba).

## **TRANSFER OF EXAMINATION GRADES AND/OR LICENSE STATUS FROM CALIFORNIA TO ANOTHER STATE**

For those California applicants interested in transferring their CPA examination grades **FROM** California to another state, you are encouraged to first inquire about that state's examination and licensure requirements prior to requesting a certification of record attesting to your status from this Board.

If your state of choice does not have its own grades transfer form, you may use the Board's *Request for Certification of Board Records* to transfer your grades from California to another state. Please complete your portion of the form, affix your signature and forward it and the appropriate fee to the Board office for completion.

## FORMS

The following Application Checklists are available on the Forms/Publications Page of this Web site or by contacting the Board office at (916) 561-1701:

- Type A Application Checklist.
- Type B Application Checklist.
- Type C Application Checklist.
- Type D Application Checklist.
- Type E Application Checklist.
- Type F Application Checklist.

The following forms are available on the Forms/Publications Page of this Web site or by contacting the Board office at (916) 561-1701:

- Application for Certified Public Accountant License.
- Request for the Board's Acknowledgment of Licensee's Completion of Attest Experience.
- Authorization for Release of Examination & Licensure Information.
- Continuing Education Reporting Form for Out-of-State Applicants.
- Continuing Education Reporting Form for Reissuance Applicants.
- Acknowledgment by Out-of-State Applicant That Applicant is Ineligible for Interim Practice Rights Under Business & Professions Code Section 5088.
- Criminal Conviction Disclosure Form.
- Fingerprinting Packet Request Form.
- Live Scan Services form.
- Certificate of General Experience (Public Accounting).
- Certificate of General Experience (Non-Public Accounting).
- Certificate of Attest Experience (Public Accounting).
- Certificate of Attest Experience (Non-Public Accounting).

## TELEPHONE NUMBERS / CONTACT INFORMATION

### **CALIFORNIA BOARD OF ACCOUNTANCY (CBA)**

**2000 Evergreen Street, Suite 250, Sacramento CA 95815-3832**

#### **LICENSING UNIT**

General Licensing Questions/Information

E-mail Address: ..... *licensinginfo@cba.ca.gov*

Web Page Address: ..... *www.dca.ca.gov/cba*

Telephone Number: ..... (916) 561-1701

Fax Number: ..... (916) 263-3676

### **AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA)**

Web site Address: ..... *www.aicpa.org*

Telephone Number:..... 1(888) 777-1701

### **NATIONAL ASSOCIATION OF STATE BOARDS OF ACCOUNTANCY (NASBA)**

Web site Address: ..... *www.nasba.org*

Telephone Number:..... 1 (615) 880-4200